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Food and Home Notes

UNITED STATES DEPARTMENT OF AGRICULTURE · WASHINGTON, D.C. 20250

35TH YEAR

JULY 3, 1978

INFLATION and FOOD

Inflation has played an instrumental role in effecting a sharp rise in marketing and food costs, but it has not been the sole factor. A decrease in consumer demand for food, smaller than expected red meat supplies and adverse weather conditions also contribute to rising prices. The collective effect of these factors provide the basis for the projected 8 to 10 percent rise in food prices for 1978.

The cost for labor in marketing farm foods is now \$61.8 billion--almost \$5 billion higher than the \$57 billion received by the farmer who grows the food, reports USDA economists.

In the past decade, consumer expenditures for U.S. farm foods have almost doubled the rate of increase in the previous decade. Food costs rose more rapidly in the last four years than in any other peacetime period.

Between 1972 and 1976, consumer expenditures increased 46 percent--from \$118 billion to \$172 billion. Marketing costs have accounted for 85 percent of the increased expenditures for farm food since 1973. Marketing expenditures include: labor, processing costs, wholesaling, and retailing through food stores and public eating places.

Another factor in the increase of food costs is that Americans are eating more food away from home. The added costs of labor, food preparation and service in fast food

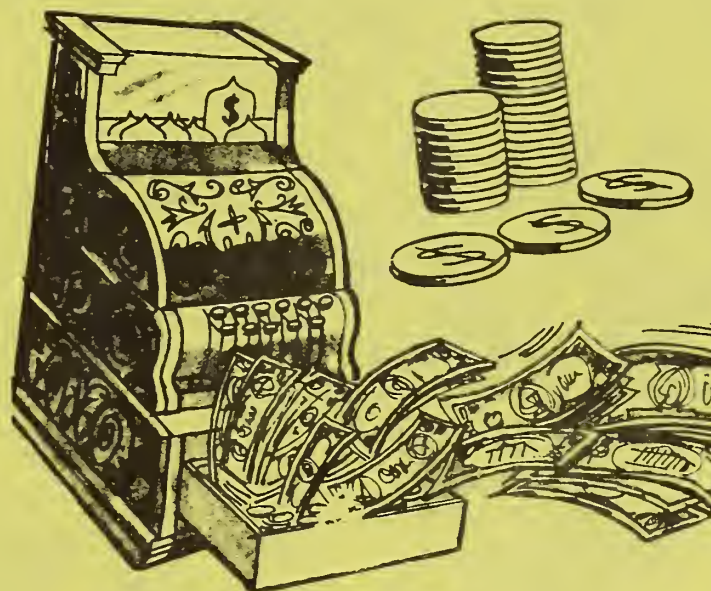
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operations also contribute to the increase in food costs.

The national average of food industry profits, reported at 7 percent, is not expected to rise appreciably in the 1977-1978 market year.

Wet, cool weather over much of the country has slowed crop planting this season. If overall weather



conditions are favorable for major crops, the fall quarter average retail food prices may hold steady at the current rate of 8 percent above last year. Food prices in restaurants and fast food stores are likely to rise slightly. However, economists say weather conditions plus continued inflationary pressure could cause prices to rise by 10 percent or more above last year's levels.

USDA 1727-78

FOOD CLIPS

Keep food safe to eat! Pick up the meat and poultry last at the super-market. Have the clerk package them together so they stay cold longer. Take them straight home and store immediately.

* * *

Meat should be wrapped loosely for refrigerator storage. When freezing meat and poultry products, wrap packages tightly in moisture-resistant materials.

* * *

USDA home economists say the preferred way to defrost meat and poultry is in the refrigerator. Meat and poultry may also be defrosted at room temperature in a tightly closed double paper bag or by placing in cold water.

* * *

"No-No's" Never place cooked, ready-to-serve meat or poultry on a surface or utensil used for a raw product unless those surfaces have been completely cleaned. If possible, use separate cutting boards for raw or cooked products to avoid "cross contamination."

ABOUT YOU 'N' ME

Karen Myres, feature writer at the Daily Banner, Easton, Md., is one of the co-publishers of a new quarterly magazine called "Shorewoman"..... Writers interested in covering consumer affairs can mark October 4-6 for the 5th annual National Consumer Affairs Exchange to be held at the Washington (D.C.) Hilton.

AROUND THE WORLD

—Food Prices

- * World food prices are continuing to advance, but at a decelerating pace, continuing the trend of the past two years.
- * Onion prices--dropped between May '77 and May '78.
- * Potato prices--dropped in 11 capitals of the world.
- * Sirloin steak--increased in 11 capitals.
- * Bread prices--increased in 10 capitals.
- * Beef prices--in Brussels, remained high; in Rome, increased.
- * Broiler prices--lower in Rome.

USDA's Foreign Agriculture Service report*
on Retail Food Prices in selected world capitals, May 3, 1978:

	Roast Chuck (lb)	Pork chop (lb)	Eggs, dozen	Milk, whole (liter)
London	4.14	4.06	1.15	.39
Tokyo	21.18	9.31	1.01	.89
Rome	7.49	4.61	1.41	.45
Washington, D.C.	3.64	3.90	.73	.54
Buenos Aires	.67	1.70	.89	.25

* Source: U.S. Agricultural Attaches

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